

Paul Flack

From: Paul Flack
Sent: Tuesday, December 27, 2022 10:59 AM
To: Themeli, Sonila (SHB)
Cc: guldem@sec.gov; Cogdell, Dan; Lewis, John (SHB)
Subject: RE: Motion for Show cause against Chavez

Sonila,

We do oppose any motion for an order to show cause. Since I have been engaged in this case, I have been working toward compliance with the Court's orders and I will continue to do so. Toward that end, we turned over the 2021 Mercedes GLE and the extra key. Mauricio does not have the title. At his wife's deposition, she testified that she was the only one on the title for that car.

Regarding the other cars, the Volkswagen is his wife's car. He does not live with her. At her deposition she testified that it is titled in her name and Mauricio's, but he never drives it. She uses it to transport herself and her two daughters.

The Lexus ES 350 is in the possession of Janette Gonzalez. She testified that JM Monarchy purchased the car from Mauricio. Ms. Gonzalez testified that she has the title to that car. Mauricio does not drive the car and he does not have possession of it. It seems that this is a matter you need to address with Ms. Gonzalez's lawyer, but if you need something further from us, please just let me know.

The other car you mentioned is the BMW X6. That is the car Mauricio is currently using to transport himself and his daughter. Given that that car is not paid for, it does not likely have much value in any case.

Regarding Mauricio's laptop, I have taken possession of it, but we are asserting his Fifth Amendment privilege which covers the act of production.

Regarding paragraphs 9 and 10 of the order, those paragraphs call for sworn statements and accountings. Mauricio is asserting his Fifth Amendment rights against providing such things. He has been asserting his Fifth Amendment rights ever since his June 7, 2022 Declaration. I told Matt Gulde at one of the deposition breaks that he was still taking the Fifth and I believe I wrote that to you in a prior email. Matt said something about possibly needing Mauricio to update the Declaration. I don't think doing that would be a problem, but I defer to Mauricio's criminal lawyer for the final say on such issues. Moreover, as a practical matter, I don't think Mauricio could provide an accounting or the other information requested, especially since he no longer has access to the company records.

Regarding the calls from investors you reference, I have advised Mauricio in the strongest terms that he cannot have any involvement with any CFX-related activities. If you are aware of anything indicating he is not following my instructions on that (or on any other issue) please let me know and I will address it with him.

Regarding funds he has, I have \$55,000 that I received very recently that I am prepared to send you. We also need to get you a proposal for an allowance for his living expenses. We have started that process, but it has taken longer than I expected and, of course, we've all been tied up with some depositions.

So, I am working to comply and I do not think a motion for an order to show cause would be productive. If there are other particular issues, please let me know as I am prepared to work with you on them.

Paul D. Flack
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From: Themeli, Sonila (SHB) <STHEMELI@shb.com>

Sent: Thursday, December 22, 2022 7:31 PM

To: Paul Flack <pflack@prattflack.com>

Cc: guldem@sec.gov; Cogdell, Dan <dcogdell@joneswalker.com>; Lewis, John (SHB) <jolewis@shb.com>; Themeli, Sonila (SHB) <STHEMELI@shb.com>

Subject: Motion for Show cause against Chavez

Hi Paul,

As previously discussed, the Receiver plans to file a motion for show cause why Mr. Chavez should not be held in contempt for failure to comply with the Receivership Order, including paragraphs 9 and 10, and for his failure to turn over all receivership property, including his computers, cash and other property to the Receiver.

Further, we continue to receive calls from investors stating that Mr. Chavez (and people associated with him and CFX) continues his CFX-related activities. We had previously sent a cease and desist letter to both Mr. Sklar and Mr. Chavez requesting that all such activities be stopped.

I assume you oppose the motion, based on prior conversations, but let me know if things have changed by December 27, 2022 at noon.

Dan – please let me know your client’s position as well.

Thank you,

Sonila Themeli

Senior Counsel

Shook, Hardy & Bacon L.L.P.

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